



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

DAVID E. JANSSEN  
Chief Executive Officer

July 3, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **APPROPRIATION ADJUSTMENTS TO THE DEPARTMENTS OF HEALTH SERVICES AND PUBLIC HEALTH'S FISCAL YEAR 2006-07 BUDGETS (All Districts) (3 Votes)**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

Approve the attached Appropriation Adjustment to the Fiscal Year 2006-07 Final Budget to transfer net County cost and appropriation of \$2,978,000 from the Department of Health Services (DHS) to the Department of Public Health (DPH); the Appropriation Adjustment will increase DPH appropriation in Salary and Employee Benefits (S&EB) for three employees who transferred to DPH during FY 2006-07 and in Services and Supplies (S&S) for centralized services which are being provided by DHS and billed to Public Health Programs during FY 2006-07.

### **PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION**

In approving the recommended action, the Board is authorizing the transfer of appropriation and net County cost totaling \$2,978,000 from DHS' FY 2006-07 Final Budget to DPH's FY 2006-07 Final Budget. This action is required to transfer additional appropriation not included in the first appropriation adjustment approved by the Board in September 2006 as part of the separation of the two departments.

As part of the FY 2007-08 Proposed Budget approved by your Board on April 17, 2007, additional transfers of appropriation, net County cost and budgeted positions from DHS to DPH were approved to continue the separation of the two departments. However, DPH will actually incur some of these transferred expenses during FY 2006-07 for services provided by DHS to Public Health Programs and for three employees who transferred to DPH during FY 2006-07.

In addition to transferring appropriation from DHS to DPH where the expenses will actually be incurred during FY 2006-07, the action also further implements the provisions of the MOU between DHS and DPH related to the separation of the two departments.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Honorable Board of Supervisors  
July 3, 2007  
Page 2

**FISCAL IMPACT/FINANCING**

The recommended appropriation adjustment will transfer appropriation from DHS to DPH by decreasing DHS' S&EB appropriation by \$180,000 and increasing intrafund transfer by \$2,798,000, and increasing DPH's S&EB by \$180,000 and S&S appropriation by \$2,798,000, resulting in no additional net County cost.

Funding is included in DHS' and DPH's FY 2006-07 Final Budget.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On May 30, 2006, the Board approved the separation of Public Health from the DHS. DPH officially separated from DHS on July 6, 2006. Although the creation of DPH's budget was largely straightforward because it had been a separate budget unit within the overall DHS budget, appropriation adjustments were required to transfer appropriation and budgeted positions for centralized services previously provided by DHS and billed to DPH.

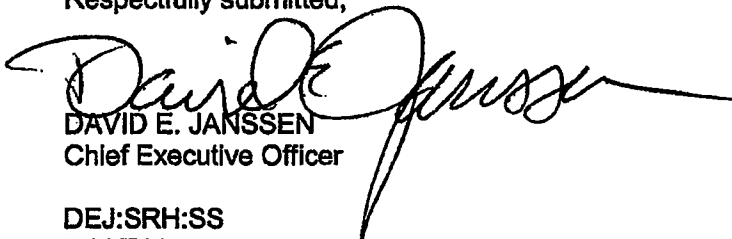
The supplemental budget adjustments which the Board approved in September 2006 contained the majority of the budget adjustments needed to implement the separate department. However, a few adjustments were not included, because some details of the separation were still being negotiated and some of the costs had not yet been calculated. This Appropriation Adjustment furthers the process which began last year.

**IMPACT ON CURRENT PROGRAM SERVICES (OR PROJECTS)**

No changes in services for either department will result.

When approved, both Departments require three copies of the Board's action.

Respectfully submitted,



DAVID E. JANSSEN  
Chief Executive Officer

DEJ:SRH:SS

DJ:LT:bjs

Attachment

c: County Counsel  
Auditor-Controller

## COUNTY OF LOS ANGELES

## REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. \_\_\_\_\_

DEPARTMENT OF Health Services

DATE 06/06/2007

## AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

Budget Adjustment  
Fiscal Year 2006-07  
3-Vote

## SOURCES:

Department of Health Services  
Intrafund Transfer, PH Program  
A01-HS-20000-6800 \$2,798,000  
Increase Intrafund Transfer

Salaries & Employee Benefits  
A01-HS-20000-1000 180,000  
Decrease Appropriation

Total Sources \$2,978,000

## USES:

Department of Public Health  
Services & Supplies  
A01-HS-23450-2000 \$2,798,000  
Increase Appropriation

Salaries & Employee Benefits  
A01-HS-23450-1000 180,000  
Increase Appropriation

Total Uses \$2,978,000

## JUSTIFICATION:

Public Health (PH) separated from the Department of Health Services (DHS) in July 2006. This budget adjustment requests additional S&S funding for PH to cover the costs of DHS services, plus the Salary & EB budget to cover the staff costs of 3 employees who have transferred to PH. The fiscal impact of this budget adjustment will result in zero net County cost.

  
Mason Matthews, Acting Controller  
DHS-Controller's Division

## CHIEF ADMINISTRATIVE OFFICER'S REPORT

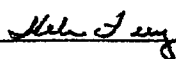
REFERRED TO THE CHIEF  
ADMINISTRATIVE OFFICER  
FOR:

☐ ACTION  
☒ RECOMMENDATION

AUDITOR-CONTROLLER No.

280

BY:

  
JUN 19, 2007

APPROVED AS REQUESTED ☒ AS REVISED ☐

6/18/07

APPROVED (AS REVISED):  
BOARD OF SUPERVISORS

  
CHIEF ADMINISTRATIVE OFFICER

BY:

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER